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Tariff problems of the south

Washington

1921

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TARIFF PROBLEMS OF THE SOUTH

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HEARING

OF THE

SOUTHERN TARIFF ASSOCIATION

BEFORE THE

COMMITTEE ON WAYS AND MEANS

HOUSE OF REPRESENTATIVES

SIXTY-SEVENTH CONGRESS
FIRST SESSION

APRIL 20, 1921

WASHINGTON
GOVERNMENT PRINTING OFFICE
1921

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SIXTY-SEVENTH CONGRESS, FIRST SESSION.

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WILLIAM R. GREEN, Iowa.
NICHOLAS LONGWORTH, Ohio.
WILLIS C. HAWLEY, Oregon.
ALLEN T. TREADWAY, Massachusetts.
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WILLIAM A. OLDFIELD, Arkansas.
CHARLES R. CRISP, Georgia.
JOHN F. CAREW, New York.
WHITMELL P. MARTIN, Louisiana.
PETER F. TAGUE, Massachusetts.

ERNEST W. CAMP, *Clerk.*

MP 28 Sept 1921.

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TARIFF PROBLEMS OF THE SOUTH.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Wednesday, April 20, 1921.

The committee met at 10 o'clock a. m., Hon. Joseph W. Fordney (chairman) presiding.

The CHAIRMAN. Gentlemen, if the committee will be in order, we will proceed with the hearing. I believe Mr. Kirby will address the committee first. Mr. Kirby, we will be glad to hear you.

STATEMENT OF HON. JOHN H. KIRBY, PRESIDENT SOUTHERN TARIFF ASSOCIATION.

Mr. KIRBY. Mr. Chairman and gentlemen of the committee, we represent the Southern Tariff Association, and through your courtesy we were accorded this hearing, and we have come to tell you as briefly as possible our problems. We desire to conserve your time, and while you have generously offered us an hour and 45 minutes, very likely we will not consume as much time as that.

The audience is composed almost strictly of delegates to the meeting of the Southern Tariff Association now being held in this city. There are 57 southern industries represented in this association, 250 chambers of commerce and boards of trade, and probably 200 individual activities not associated with organized industries.

The Southern Tariff Association is a nonpartisan organization, created during the year 1920 for the purpose of affording a nonpartisan tribunal or forum where problems affecting the South, especially with respect to national legislation and particularly with respect to the tariff, could be discussed from an economic standpoint, entirely free from partisan interest or character. Probably 95 per cent of the membership is democratic, in the sense that they are business men and producers affiliated with the Democratic Party. I mention that to show that it is a spontaneous movement on the part of the producers of the South to influence justice in legislation, so that in whatever tariff levies may be laid they will be so levied as not to discriminate against any industry or any section of the country, to the end that American standards of labor and living may be maintained in every line of effort.

Personally, I have no interest in this question, in the sense that I am engaged in the creation of any product that needs protection against foreign competition or needs that measure of justice that is necessary to equalize the cost of production in this country with the cost of production in other countries. I am a yellow-pine lumber manufacturer, 'way down in Texas on the Gulf. There is no compe-

tition from any foreign country that would deny me a market for an additional car of product, whether lumber be retained on the free list or not. So I want to relieve the members of the committee of any suspicion that I have any selfish interest in what I am presenting.

I undertook this work at the request of the cotton farmers of Texas, and the cattle raisers of Texas, and the sheep and wool growers of Texas, the rice farmers of Texas, and the peanut farmers of Texas.

From the free importation of vegetable oils the cotton farmers of the South have suffered a reduction in the value of their cotton seed in the crop of 1920, short as it was, amounting to practically $350,000,000. Perhaps other causes contributed thereto, but whatever may have been the condition with respect to those other causes, the free importation of vegetable oils from China and India and the Tropics would have had the same effect under the free movement of commerce that has been produced upon the value of southern cottonseed.

The woolgrowers of Texas found themselves facing bankruptcy through the importation of wool from Australia and New Zealand and the sale of that product in this country at a price below the cost of production in this country. The warehouses of San Angelo, San Antonio, Del Rio, El Paso, and other points in western Texas are full of wool, for which there is no demand and no sale.

The peanut growers, who had reached a condition of thrift, and year by year more lands were being put into peanut culture and more and more people employed in that industry, found themselves facing disaster in consequence of the free importation into this country of peanuts and peanut oils and other vegetable oils, largely from China, Manchuria, Korea, and India.

Under those circumstances they appealed to me to do what I could to assist them in eliminating from the legislative policy of our National Government the doctrine of free raw materials and to contend that whatever the levies may be at the customhouse, whether for revenue only, as one political party contends, or whether for the purpose of protecting American manufacturers and American industry, as another political party contends, those levies should be so laid that they would give us an equal opportunity before the law and give us a chance to produce on a basis that would not reduce our toilers to the living standards and levels of life of their European and Asiatic competitors.

Mr. GARNER. Mr. Kirby, may I interrupt you?

Mr. KIRBY. I would rather you would not, Mr. Garner, until I conclude my statement.

Mr. GARNER. Very well.

Mr. KIRBY. This question of protecting American thrift and industry is as old as the Government itself. There are those who believe that it is a wicked device of the Republican Party for the purpose of laying unjust burdens upon certain sections of the country. It was born long before the Republican Party was ever dreamed of. The very second act passed by the First Congress at its first session assembled under the present Constitution was a tariff act, and it recited in its preamble that it was for the purpose of

raising revenue to pay the national debt and to promote and encourage domestic manufactures. In the Congress that passed that act were men whose names appear to the Declaration of Independence; men who aided in formulating the Articles of Confederation, under which we fought the Revolutionary War; men who sat in that marvelous convention in Philadelphia that formulated the present Constitution; and the bill as passed, with that recitation, bore the signature of the man who was first in war, first in peace, and first in the hearts of his countrymen. So that this thought of giving American industry, American toil, and American capital such protection as was necessary to encourage and promote their thrift originated with these matchless men who originated the Government itself.

Some of us as the years have passed have not agreed with that philosophy, but certainly we can not be charged with any lack of patriotism when we have such illustrious examples for that for which we now contend.

Without any desire to sound any note of partisanship, let me state in a brief way why we southerners and Democrats feel justified in the request we are going to make of you in a memorial soon to be read before you. As we read the history of the past, we know that our great leader, "Saint" Thomas Jefferson, was a protectionist: we know that James Madison and James Monroe were protectionists; we know that Andrew Jackson was a protectionist; we know that the last Democratic President before the war signed in this city, early in 1861, the Morill tariff bill, the basis of which was protection to American industry. We know that John C. Calhoun, our great southern leader, was a protectionist until his philosophy taught him that since the institution of slavery had come to be a prominent part of the industrial life of the South it was better for his country that we should have the freest trade possible consistent with the necessary revenue. He therefore became a free trader in a sense. At the time he was a protectionist Daniel Webster, truly representing the interests of New England, was a free trader. They reversed their positions upon this question in later years, when the interests of Mr. Calhoun's countrymen drove him to the point of the freest trade position and when the interests of Mr. Webster's constituents drove him to the other view. So that at all times the representatives of the people have sought to advance the interests of their constituents.

With this illustrious example before us of what has been the status in years past and what were the views of the great men in whose footsteps we seek to follow, we feel that we are justified in changing our minds with respect to a purely economic question if upon examination our judgment is convinced that the public welfare will be promoted thereby.

We wish, as we know you wish, that there shall be the very highest measure of prosperity for the American people in every section of our great Republic. We know that if there ever was a period in the history of our great country when protective levies against the goods, wares, merchandise, and products of all the rest of the world were justified that period is now.

I am old enough to remember something of the condition of my great section after the Civil War. As a boy I plowed a yoke of oxen

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I am old enough to remember something of the condition of my great section after the Civil War. As a boy I plowed a yoke of oxen

because we did not have the price of a horse. I plowed them on grass because we could not afford to buy feed for them. We were broke. Our State was broke. Our citizens were broke and our industries were broke. We had to go to work on levels we had not previously known. So must Europe to-day. The Governments of Europe are embarrassed. The industries are embarrassed. The citizenship is broke. The citizenship must go to work in productive industry on the lowest basis of living they have ever known and the most inadequate wage reward.

In order that American toil may not be reduced to that level, in order that American workingmen may enjoy some measure of prosperity, it is the duty of the Congress, regardless of political affiliations, to give us for a period, and especially for the reconstruction period of those devastated countries over there, such tariff levies as may equalize the difference in the cost over there and over here. If you do not do that, what will be the result? There will be millions and millions of idle men and women in this country. There will be tears and heartaches and suffering and poverty. No man wants to bring about such a condition because you, as we, would, if you could, banish all poverty from the world. You would, if you could, make it so that every toiler in America when he went to his little home at night would be met at the gate by laughing children and would cross his threshold to hear a contented wife singing a lullaby to the last born, for in the home and in the community where just reward is won by honest and contented toil there is peace and patriotism and high purpose and civilization. In that home there is no riot against the law, no rebellion against constituted authority, no tempest of communism.

I know you all recognize those principles, and we have come to tell you, as representatives of the prostrate industries of the South, that we must have your aid, unless you want us reduced to the level of the pauper labor of India and the Orient and to the level of these impoverished European countries.

That is our appeal to you, gentlemen of the committee, and while I have stated it awkwardly and without preparation, in so far as having prepared any manuscript is concerned, I hope you will accept my earnestness for whatever deficiency there may have been in my manner of representing this great body of business men who are backing me up in this activity. [Applause.]

Mr. YOUNG. Mr. Kirby, does the memorial you propose to file include a list of those particular articles upon which you think duties should be imposed?

Mr. KIRBY. There will be attached to the memorial a list of the schedules which industry, from the best information they have, and from the leaders in that industry, the minimum of levy you ought to make for that particular commodity.

Mr. YOUNG. The reason I ask that question is that we have had it repeatedly stated here that certain articles produced in the South would not be benefitted in any way whatsoever by a tariff; for instance, cotton. It has been repeatedly stated on the House floor by representatives from the South that duties upon cotton were absolutely valueless, and I think this committee would like to know the views of this association, for instance, as to that, as well as to some other items.

Mr. KIRBY. Having been engaged, in a small way, in the production of cotton all my life and knowing something about the market therefor, I should say that with 640,000 bales of cotton being imported into this country, a little duty might be helpful, and might produce some revenue, anyway, if it does not afford any protection.

Mr. YOUNG. You believe it would?

Mr. KIRBY. I believe it would.

Mr. COLLIER. That is long staple; how about the short staple?

Mr. KIRBY. So far as the short staple is concerned, just now there are no substantial importations.

Mr. COLLIER. Have there ever been any?

Mr. KIRBY (continuing). But what are you going to get from Egypt and India with the poverty that exists in those countries?

Mr. COLLIER. Have there ever been any importations of short staple cotton?

Mr. KIRBY. There have not been, and there has not been any substantial amount of vegetable oils imported heretofore, nor of beef, nor of mutton, but we have them now.

Mr. COLLIER. You say that there was enough vegetable oil came into the country last year to cause the cotton farmers of the South to lose $350,000,000 on about 7,000,000 tons of cottonseed. How did you arrive at those figures?

Mr. KIRBY. Those figures are from the Department of Commerce.

Mr. COLLIER. On what basis did you proceed? What valuation did you put upon the cotton seed?

Mr. KIRBY. The valuation was $70 a ton, as the price was nine months ago.

Mr. COLLIER. How about everything else that went down that did not have any flood of importations?

Mr. KIRBY. I stated in my opening statement that there were other causes that influenced the shrinkage or the deflation in values, but even without the presence of those causes, the free importation of these cheap goods, absolutely supplying our market would have had the same effect.

Mr. COLLIER. Do you believe, Mr. Kirby, that if we had not had any material importation of vegetable oil that with the deflation of all agricultural products last year the farmers of the South would have gotton $70 or $60 or $50 a ton for their seed?

Mr. KIRBY. I can not say that they would have, because I doubt if they would with this deflation program in existence; but in the absence of a deflation program to-day they can not sell it at any price.

Mr. COLLIER. If you doubt whether they would have gotten even $50 a ton, then you can not put the loss of $350,000,000 altogether on the importation of vegetable oils, as I believe you stated a moment ago.

Mr. KIRBY. Yes; that was my statement, and I am basing it upon the shrinkage in value of their commodity. Now, there would have been some substantial shrinkage, no doubt, in consequence of the deflation process set up by another governmental agency.

Mr. COLLIER. And when you refer to the cotton farmer of the South losing so much by reason of not having protection, you mean to speak altogether with reference to the cotton seed and you are not referring to the staple cotton?

Mr. KIRBY. I was referring to seed entirely.

Mr. COLLIER. That is what I thought. I thought maybe you were misled by Mr. Young's questions.

Mr. GARNER. The probability is that they deflated all other things and you inflated the amount of loss a little bit when calculating it on the basis of $70; but let me ask you a few questions, if I may, to get at the practical features of this matter. You refer to raw materials. Will you describe a raw material for the committee?

Mr. KIRBY. The term is politically understood to refer to the materials used in manufacture. Of course, it is the finished product of the producer of that material.

Mr. GARNER. I want you to try to give to this committee a concrete, satisfactory, and final definition of the term "raw material." You gentlemen who come here from the West and South use that term constantly. You speak constantly of raw materials, and if you can define that term for the committee you will confer upon it quite a favor, because so far nobody has ever been able to satisfactorily designate and point out just what raw material is. If you could designate the microbe or germ, so to speak, involved in that term "raw material" I, for one, would be very glad to have you do so.

Mr. KIRBY. I do not know that I can do so. Political philosophers have not been able to do it. They tried to do it in your Democratic platform in 1884.

Mr. GARNER. I agree with you that it can not be done, because, as a matter of fact, there is no such thing as raw material. If I understand it, the contention is that it is material into the production of which no labor has gone, but I can conceive of no material in the production of which there has not been some expenditure of labor.

Mr. KIRBY. We are speaking of it in the economic sense.

Mr. GARNER. Let us try to illustrate it: A piece of cloth that comes from the manufacturer would not be raw material.

Mr. KIRBY. It would be raw material for the tailor.

Mr. GARNER. I was just going to remark that it would be raw material for the tailor. Therefore, the proposition resolves itself into this, that all products of labor would be raw material except those products that were sold to the ultimate consumer.

Mr. KIRBY. All that went into the article that was sold to the ultimate consumer.

Mr. GARNER. I agree with you with reference to the policy of equal taxation. I think that all sections of the country and all industries should be treated alike, whether they are treated from the protective standpoint or from the revenue standpoint, and I do not see how any gentleman can take any other position in regard to it. Now, I want to ask you one practical question: You spoke of being induced to embark upon this association by the cattle men and cotton people and wool people, or you emphasized those three industries. Suppose in the framing of a bill from the protective standpoint it should be so framed that those industries would not get the same consideration, or equal and just consideration, with the manufacturers: What would be your position, if you were a Member of Congress, with reference to that bill?

Mr. KIRBY. I would undertake to defeat it, or I would undertake to get the same degree of protection for everybody, or equality before the law.

Mr. GARNER. Suppose you did not succeed, then what would be your vote upon the proposition?

Mr. KIRBY. I would vote for the best thing I could get. [Applause.]

Mr. GARNER. I asked you a plain, concrete question. Do I understand that you are being cheered by the members of your association here upon the theory that if they wrote into the bill 20 per cent of protection for you and 100 per cent protection for the other man you should vote for it as the best thing you could get?

Mr. KIRBY. Yes.

Mr. GARNER. And that is what you would do?

Mr. KIRBY. Yes.

Mr. GARNER. In other words, you would permit your section of the country to be discriminated against to the extent of 80 per cent in that exercise of the power of taxation?

Mr. KIRBY. I would not permit it.

Mr. GARNER. But you would agree to it by your vote?

Mr. KIRBY. I would because it would be better to give my people half a loaf than to have them starve in a body.

Mr. GARNER. You say that if Congress should discriminate against your section of the country to the extent of 80 per cent in its exercise of the taxing power of the Government, you would still accept it and would say, "I will take it"?

Mr. KIRBY. Every man who has stood in your shoes in the Congress of the United States for the past 100 years has done exactly what I told you that I would do. I would get the best I could for my people. If that was the best I could get I would not be for it, but I would have to take it.

Mr. GARNER. Point out to me, if you can, the name of a single man in Congress during the last 100 years who has, when the proposed legislation discriminated against him or his section to the extent of 80 per cent, voted for the bill?

Mr. KIRBY. I am not familiar with those details, but there was one——

Mr. GARNER (interposing). You have just remarked that every man who has been standing in my shoes for the past 100 years has done that.

Mr. KIRBY. That is what our statesmen have been doing. You will remember the position of a distinguished citizen from Kentucky. At one time he had the theory of the tariff that Hickory Jackson had, and took the position of other distinguished Democrats of that period, but he compromised upon the proposition because it was better, as he thought, to get the modicum of protection that the bill provided for rather than have none at all. Then, when they remonstrated with him and said, "Mr. Clay, you will lose the Presidency by that action," he replied, "I would rather be right than President."

Mr. GARNER. But he was speaking from the standpoint of protection.

Mr. KIRBY. Yes.

Mr. GARNER. Then I will put this practical question to you: Suppose you were drawing a tariff bill, or suppose these gentlemen here in drawing a tariff bill put hides upon the free list and oil upon the free list, those being commodities that you have referred to: When they appealed to you for your vote what would you say to them?

Mr. KIRBY. If that was the only thing the bill did, then I would vote no.

Mr. GARNER. In other words, you are here making an argument for a bill and asking our support of it no matter what it contains. If it protects certain products you want the Democrats to vote for it regardless of the discrimination?

Mr. KIRBY. No.

Mr. FREAR. Referring to the statement in regard to oil going into the bill, I want to say that that impression did not exist with the committee, so far as I have ascertained, and so you are under no embarrassment there. You say that you are from Texas?

Mr. KIRBY. Yes, sir.

Mr. FREAR. And, as I understand it, 95 per cent of these gentlemen with you are Democrats?

Mr. KIRBY. I do not know about the particular representation here, but that statement applies to the membership of the association. This is a delegated body, and I have not tested them as to their party affiliations.

Mr. FREAR. But as a rule they are large business men, representing their respective States?

Mr. KIRBY. I would not say that they are as a rule, because we have a great many farmers in the delegation, who would not be regarded as large business men.

Mr. FREAR. You probably are aware, are you not, that even your State has Representatives who have been somewhat severely taken to task for their opposition to certain tariff views?

Mr. KIRBY. Yes, sir; I have had intimations to that effect.

Mr. FREAR. I want to ask you on behalf of this part of the committee that you use your best efforts as a missionary on some of these gentlemen——

Mr. KIRBY (interrupting). I am trying to convert John Garner right now.

Mr. GARNER. I want to say to my friend from Texas that he has already converted me. I have been converted a long time to the theory of just and equal taxation and to the theory that all sections of the country should be treated alike; but I can not agree with the proposition that it is fair and equal taxation when they are protected on their products to the extent of 100 per cent while our section is protected to the extent of 20 per cent. There is a discrimination there to the extent of 80 per cent.

Mr. YOUNG. Nobody is proposing to do that.

Mr. OLDFIELD. You stated a while ago that 95 per cent of the gentlemen who are members of your association are democrats. Do you know what percentage of the gentlemen who are going to appear to-day are Democrats who supported the Democratic ticket last fall?

Mr. KIRBY. No, sir; I do not.

Mr. OLDFIELD. Would you mind telling the committee whether you voted for Harding or Cox last fall?

Mr. KIRBY. I voted for Harding, but I am not a Republican. I was protesting against the apostasy of my own crowd.

Mr. OLDFIELD. You are a protectionist, are you not?

Mr. KIRBY. Yes. When I find that I have been wrong all my life——

Mr. OLDFIELD (interposing). When you appeared before this committee a few days ago, or a few weeks ago, my recollection is that you then made an argument for a tariff for revenue.

Mr. KIRBY. Yes. Two of those commodities are not represented here. Lumber is not represented here nor is oil.

Mr. GARNER. But you emphasize the fact that you only favored levying a tariff for revenue purposes.

Mr. KIRBY. Yes; purely for revenue.

Mr. GARNER. And now you have your eyes open.

Mr. OLDFIELD. Do you know whether all the rest of the people who belong to your association in the South are also protectionists and whether they supported Harding in the last campaign?

Mr. KIRBY. I do not think they supported Harding, but I think that most of them are protectionists for their own commodities, although they would likely shy at the other fellow's protection. I do not mean these gentlemen here in that statement, but I mean to say that of southern people as a rule.

Mr. OLDFIELD. Somebody stated here during the hearings some weeks ago that there was a great sentiment for protection in the South and that there was liable to be two parties down there—a protection party and a revenue party. Do you think that would be a good idea?

Mr. KIRBY. No, sir; I do not. I think that the Democratic Party ought to get back to the principles of Thomas Jefferson and Old Hickory Jackson and take the right position on protection and sound money.

Mr. OLDFIELD. Do you think that this country is big enough to have two protectionist parties?

Mr. KIRBY. I do not think it should be a party question at all. This is an economic question.

Mr. OLDFIELD. How can a taxing question be anything else except a party question?

Mr. KIRBY. It is a political question, but why should it be a partisan question?

Mr. OLDFIELD. There are people who feel, and they are as honest as we are, that it is impossible to write a just and equitable protective tariff piece of legislation. The fact is that it can not be done, and I believe that if you will study the question you will agree with me.

Mr. KIRBY. I am quite sure that there would be changes in the economic conditions that would make the rates that you prescribe to-day not applicable next year. There may have been some justification for the Underwood bill when it was passed, but the justification does not exist now.

Mr. OLDFIELD. As a business man, do you not know that when you place a protective tariff on certain articles the producers of those particular articles get something without earning it?

Mr. KIRBY. No, sir; they earn it. The tariff enables them to sell it at a profit, but if the profit is unreasonable, you have your antitrust laws for the purpose of reaching that situation.

Mr. OLDFIELD. Nobody has been able to get at them in that way. You can not convict them. You can not get at them in that way.

Mr. KIRBY. Of course, if you can not prove their guilt, you should not convict them. You should not presume a guilt that does not exist.

Mr. OLDFIELD. You do not think it would be wise to have two political parties at the South, or two Democratic Parties?

Mr. KIRBY. I do not want to go so far as that, but I have concluded that we have got to do something, or we will not have any Democratic Party that I can affiliate with. [Laughter and applause.]

Mr. OLDFIELD. I am satisfied that you are mistaken about that.

Mr. KIRBY. You have asked these questions, and I am answering you frankly.

Mr. OLDFIELD. I can not understand how you feel that a protective tariff can help cotton producers and the producers of beef and pork, for example, as provided for in the emergency tariff bill. For instance, in the matter of pork, we produce and export four hundred times as much as we import, and we compete with our pork products in all of the markets of the world. We compete with Argentina, with Venezuela, and with Australia in all of the markets of the world, and, as I have said, we export four hundred times as much of those products as we import. Yet, notwithstanding that fact, you gentlemen want a protective tariff on those products.

Mr. KIRBY. You can not compete with Argentina and other South American countries in the production of beef. Argentina comprises the greatest pasturage area in the world. They simply sow down a lot of clover and make pastures, and they do not have to provide corn and other feed that the American cattlemen are obliged to produce. They do not have to fatten their steers for the market, as we do. They do not even have to herd them as we do, but they turn them loose on their pasturage; and one of their steers will weigh 300 pounds more than an American ox who has been fed American corn and other cattle feed. Then it is slaughtered and loaded on refrigerator vessels and delivered at New York for less freight cost than we have in shipping beef from Texas to New York.

Mr. OLDFIELD. I hope you will not take this question as offensive, because I have nothing on earth against you——

Mr. KIRBY (interposing). You can not have, because I am a kind-hearted old man.

Mr. OLDFIELD. I would like to know whether you contributed to the Republican campaign fund last year or not?

Mr. KIRBY. Not to Mr. Harding's campaign fund. Locally I did give them about half as much as I gave to the Democratic campaign fund.

Mr. OLDFIELD. You say that you did not contribute anything to the national Republican campaign fund?

Mr. KIRBY. No, sir; nor to the national Democratic fund.

Mr. COLLIER. But you gave the local Democrats twice as much as you gave the local Republicans?

Mr. KIRBY. Yes, sir.

Mr. OLDFIELD. You did not contribute to the national campaign funds?

Mr. KIRBY. No. I voted the Democratic ticket in my State, because I was a Democrat.

Mr. OLDFIELD. You were on both sides.

Mr. KIRBY. No, sir; they went off and left me. I was without a national party, but there were local questions that held me to my organization.

The CHAIRMAN. That is a good deal like the story of the colored man who was arrested in Ohio for accepting a bribe. He was asked to go on and state whom he voted for, and he said that when he started to the polls he met a man who said that he would give him $3 to vote the Republican ticket. He then went a block or two farther and another man offered him $5 to vote the Democratic ticket. He was asked "Did you vote," and he replied, "Yes, sir; I voted." "Which party did you vote for," he was asked; and he replied, "I voted the Republican ticket, because they were the least corrupt, you see."

Mr. FREAR. If you were confronted with the proposition that in Japan and China they were paying 25 cents per day for labor, while in this country we were paying $2.50 per day, or ten times as much for the same kind of labor, how would you protect labor in this country under the Underwood bill?

Mr. KIRBY. It could not be done.

Mr. FREAR. Would you then believe it advisable to give some protection to the people in this country, and how would you give it in a case of that kind otherwise than by a protective tariff?

Mr. KIRBY. There is no way to do it otherwise than by a protective tariff. It is not only advisable to do it that way, but it is imperative that you do something to equalize the difference between the cost of production in this country and the cost in other countries of the necessary and essential commodities of this country, and also for the protection of the manufacturers who employ some 12,000,000 men and women.

Mr. GARNER. I agree with you that duties ought to be put on at the customhouse for the purpose of collecting at least a part of the revenue required to run the Government, and that in levying those duties all industries should be treated alike. I think the object of the hearings here was to ascertain the condition of the country, or the conditions here and abroad. Now, you say that you represent particularly the cotton producers and the stockmen.

Mr. KIRBY. I am not talking about the cotton producer, but I am concerned more about cotton seed.

Mr. GARNER. Well, the producer of the cotton is the producer of the seed.

Mr. KIRBY. You know that if the cotton farmer can get even $50 per ton for his seed he would be getting more than he used to get for a bale of cotton.

Mr. GARNER. I understand that. Now, the market for the cotton grown in this country is largely in Europe. Is not that correct?

Mr. KIRBY. The market for a part of it is in Europe.

Mr. GARNER. The market for the larger part of it, according to the reports of our Government authorities, is in Europe.

Mr. KIRBY. That may be since the passage of the Underwood bill, but prior to that time there was quite an augmentation of spindles in this country, and we have been looking forward to the time when American spinners would spin most of our cotton crop.

Mr. GARNER. I am sorry that you are so badly informed. The number of spindles in America has been doubled under the Underwood law, and the increase in the consumption in American mills of cotton raised in this country has been 20-odd per cent since the

Underwood bill was put upon the statute books. Here is the question I asked you: We must sell our cotton in Europe, and we must sell $130,000,000 worth of the products of the stock industry in Europe each year. Now, in framing a bill that would give what you say ought to be given in the way of consideration for the products of our section, if it should be so framed that importations from Europe would cease, and therefore that they would have no method or way by which they could buy our products, because they have no gold and they have no service to render, because we are carrying our own products in our own bottoms——

Mr. KIRBY (interposing). Do you think this is the only market in the world for their merchandise?

Mr. GARNER. It is the largest market.

Mr. KIRBY. That is another reason why they should be excluded.

Mr. GARNER. How will they send goods here with which to buy cotton and $130,000,000 worth of products from our farms?

Mr. KIRBY. They will do as they have done heretofore.

Mr. GARNER. You advocate the theory that we should exclude from our markets their importations, and then expect to sell $8,000,000,000 worth of products to the rest of the world.

Mr. KIRBY. I do not advocate excluding from this market all importations at all, but I advocate such levies upon foreign merchandise as will equalize the cost of production in that country with the cost in this country, bearing in mind at the same time that we want to maintain our present standard of living in America.

Mr. GARNER. I have put a hypothetical question to you which I think you should answer.

Mr. KIRBY. I am answering you.

Mr. GARNER. I will ask you this question: If the bill were so drawn that it excluded all of the products of the earth from our markets, and at the same time gave you the rate of duty that you want on your products, would you vote for it?

Mr. KIRBY. You are assuming an impossible condition.

Mr. GARNER. Well, let us assume it.

Mr. KIRBY. Under those circumstances——

The CHAIRMAN (interposing). That is an impossible condition to consider.

Mr. GARNER. Although the witness may be protected by the chairman, I think he should be willing to answer that question. If a bill were presented to you as a Member of Congress representing the South, as your association does, and if that bill as a result of being put into effect would exclude the products of all the other countries from this country, but at the same time gave you what your association asks for, would you vote for it?

Mr. KIRBY. Let me see if I understand it: If the known effects of the bill was to exclude all products of foreign importation under schedules that were necessary to equalize the cost of production in those countries and in our own, I would vote for it. If it were not that, but if it were simply an effort to arbitrarily close us in and to exclude all foreign importations, I would vote against it, and you know I would.

Mr. LONGWORTH. The only criticism I have to make of your campaign to convert Mr. Garner is that you have had him converted, but have let him get away from you.

Mr. KIRBY. He is still converted, but is trying to be regular. [Laughter and applause.]

Mr. GARNER. Let me say to my friend from Texas that these gentlemen, so well versed in the art of cooking, fixed up a sweet morsel at first, and it was all right, but when they revised it they put a lot of poison in it, with the result that I detected the poison and did not swallow the does.

The CHAIRMAN. Before you leave or go, the gentleman from Texas has questioned you on the supposition of legislation being recommended which might authorize an 80 per cent discrimination. We have never had such a law.

Mr. GARNER. You are going to have one with 100 per cent.

The CHAIRMAN. You have not seen it—wait until you see it. The Republican members of the Ways and Means Committee are now engaged in preparing a revision of the present tariff law—the so-called Underwood law. It is the purpose of every member of the committee to give equal protection to industry, no matter in which State it is located in this Union [applause] without discrimination. To say that we might have a tariff law which will discriminate against 80 per cent of the imports is an impossibility. In fact, we propose, my friends, in this bill to protect rice, sugar, peanuts, sheep, cattle, hogs——

Mr. GARNER (interposing). How about hides?

The CHAIRMAN. Please do not interrupt me until I conclude.

You talk about raw material. I will tell you what raw material is, in my opinion—I do not know whether you will agree with me: It is the round world untouched by man. Iron ore in the ground is raw material. Timber that stands in the woods is raw material. Hide on the back of an animal is the raw material of the tanner, but the finished product of the farmer. The man who wants protection on leather and free trade on hides is not my kind of a protectionist. [Applause.] Leather is the raw material of the shoemaker, but the finished product of the tanner. Cotton is the finished product of the farmer and the raw material of the manufacturer, and so on; you can go all along that line.

Year before last 500,000 tons of vegetable oils came into this country, and my Democratic friends—many are loyal protectionists—I do not criticize them because they differ from me, because they are free traders and I am a protectionist. They think they are right. I think they are wrong, and as long as I think so I will say it. I do not criticize them; I differ from them; that is all. When there are 500,000 tons of vegetable oils coming into this country, I say that it can not help but affect the market for cottonseed oil produced by the cotton growers of the South.

Mr. GARNER. That is absolutely right.

Mr. CRISP. It affects the price of cotton seed.

The CHAIRMAN. Another thing: Oil comes here in competition with the cottonseed oil. It is the raw material of the soap manufacturer and the man who makes oleomargarine and substitutes for butter, lard, etc. It should have a duty upon it, because, in my opinion, it affects vitally the production of this country. It is my purpose and, I think, the purpose of this committee to give adequate protection to vegetable oils.

Mr. GARNER. Permit me to ask you a question.

The CHAIRMAN. Just one minute, Mr. Garner. The gentleman speaks about sending cotton to Europe. We consume 60 per cent of the cotton produced in this country in the United States. We consume nearly 40 per cent of the total production of cotton in the whole world, and we are getting to the point, in my opinion, where we ought to have protection on cotton, because it is one of the great agricultural products of the South.

The farmers constitute 35 per cent of the population of the United States, and any law that is not equitable and just to them and accords them equal consideration with others is unjust and discriminatory. It is the purpose of the Republican Party to protect every industry, whether agricultural or manufacturing. Every industry that comes in competition with the cheap oriental and European labor must be protected in order to maintain the standard of life and living in this country. That is the Republican policy. [Applause.]

Mr. GARNER. Are you going to put a duty on hides?

The CHAIRMAN. Ask me something easy; that is only 1 of 25 articles. I am only speaking for myself. I rather think that I voice the sentiment of the majority of the Republicans, but I do not know that I am right.

Mr. GARNER. What is your present opinion about the hide question?

The CHAIRMAN. Wait until we get the bill prepared and you will find out. I will vote with the majority of my party. I am like Mr. Kirby; I will get the best I can and accept it, because that is all I can get. That is what I will do. I will vote for the bill if hides are on the free list, if the majority of my party votes against me. I will vote for putting hides on the protective list. Does that answer your question? [Applause.]

Mr. YOUNG. Can you conceive of any circumstance or condition under which a duty on cotton would injure the producer?

Mr. KIRBY. It could not possibly have that effect.

Mr. YOUNG. Then there is no possibility of any injury and there is some possibility of benefit?

Mr. KIRBY. That is right; there is strong probability of some benefit.

Mr. GARNER. In that connection, since Mr. Green, who is not here, brought it up, will you explain why it is necessary to protect cotton that is 1⅜ inches long and it is not necessary to protect cotton which is 1 inch long?

Mr. KIRBY. Only the importation of long-staple cotton. There is no substantial importation of short-staple cotton; that is the only reason.

Mr. GARNER. There are 250,000 bales imported of the 1⅛-inch, the biggest part of the importations.

The CHAIRMAN. I will say to the gentleman from Texas and Mr. Kirby that there is a difference of opinion among men in the South and even among men on the floor as to whether 1⅛ or 1⅜, or whatever it is, makes the difference between long and short staple cotton.

Mr. COLLIER. I think that is a mistake.

The CHAIRMAN. There is a difference of opinion as to what constitutes the long and short staple; that is the only difference.

Mr. COLLIER. What Member from the cotton States has suggested that?

The CHAIRMAN. I do not know that I can give the name here. Perhaps I am in error about men from the Southern States.

Mr. COLLIER. Mr. Green seems to be the only real expert on cotton.

The CHAIRMAN. Mr. Smoot, in the Senate, claims to be a purchaser of cotton and knows the difference and is decidedly of that opinion, as are some of the other gentlemen.

Mr. GARNER. Whether you levy a tax at the customhouse in the name of protection or revenue I ask you the question, Why discriminate against the length of cotton; why not say "cotton"?

Mr. KIRBY. You have to have your specific rate, and some cotton is worth a great deal more than others in the market.

Mr. GARNER. If that be true, if you have a specific duty, why not just say "cotton"?

Mr. KIRBY. Because in one instance it would be a levy for protection and in the other instance it would be a levy for revenue, where there is no need for protection, like lumber, where you could wisely lay a revenue levy, where there is no need for protection, and th same is true of fuel oil coming in from Mexico, you could wisely lay a revenue levy.

Mr. GARNER. I am afraid the gentleman will not put a duty on lumber.

The CHAIRMAN. Are you disturbed about that?

Mr. GARNER. I am afraid.

The CHAIRMAN. Because you think it would be a political blunder?

Mr. GARNER. No; but I think that political opinion will be sufficient so that you will not put it on. You think that the lumbermen along the northwestern border of Canada are entitled to protection against Canadian lumber?

Mr. KIRBY. I think so.

Mr. GARNER. But I do not think that they have the courage to put it on, because public opinion is against that.

The CHAIRMAN. The gentleman says that he is disturbed about lumber. He does not know what the committee will do. The committee itself does not know, because it has not decided that question.

Mr. KIRBY. May I present our memorial?

The CHAIRMAN. We shall be glad to have you do that. You have been so interrupted that we will be glad to extend your time.

Mr. KIRBY. I have enjoyed every moment of my privilege before you gentlemen.

I want to present Mr. Thurmond, of Del Rio, Tex., who will read the memorial which has been carefully prepared and unanimously adopted by the Southern Tariff Association.

The CHAIRMAN. We shall be glad to hear Mr. Thurmond.

STATEMENT OF MR. GEORGE M. THURMOND, DEL RIO, TEX.

The CHAIRMAN. You appeared before the committee this winter on the question of the protection of cattle?

Mr. THURMOND. On wool and mohair.

Mr. GARNER. Let me say that Mr. Thurmond comes from my State, and if I have to leave the committee room during the hearing this morning he will understand the reason why.

Mr. THURMOND. Mr. Chairman and gentlemen of the committee, the Southern Tariff Association has prepared, and I will now read to you, what we term a memorial which presents to the consideration of this committte the southern idea of protection as held by the association that we form.

MEMORIAL OF THE SOUTHERN TARIFF ASSOCIATION.

To the WAYS AND MEANS COMMITTEE:

The Southern Tariff Association represents affiliated industries from Alabama, Arizona, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia, 18 Southern States. The number of these affiliated industries is 57, embracing virtually every line of activity in the States mentioned, as follows:

Agricultural:
- Cottonseed and vegetable oils.
- Cattle.
- Sheep and wool.
- Goats and mohair.
- Egyptian cotton.
- Citrus fruits.
- Honey and beeswax.
- Onions.
- Peanuts.
- Grain.
- Cane and sugar.
- Rice.
- Potatoes.
- Hides and skins.
- Tobacco.
- Dairy products.
- Lumber.
- Naval stores.
- Poultry.

Manufacturing:
- Cotton goods.
- Flour milling.
- Saddles and harness.
- Chemical dyes.
- Glass.
- Burlap.
- Penholders.
- Hair cloth.
- Slaughtering and meat packing.
- Pencil leads.
- Epsom salts.

Manufacturing—Continued.
- Macaroni.
- Fertilizers.
- Fish oil.
- Furniture.
- Foundry products.
- Wood pulp.
- Iron and steel.
- Shoe manufacturing.
- Potato, flour and starch.

Mineral:
- Asbestos.
- Barium.
- Barytes.
- Bauxite.
- Cement.
- Clay.
- Felspar.
- Ferro-alloys.
- Gypsum.
- Graphite.
- Marble.
- Monozite.
- Manganese.
- Mica.
- Potash.
- Pyrites.
- Quicksilver.
- Sulphur.
- Talc.
- Zinc.

These industries represent two-thirds of the wealth of the South and have directly dependent upon them two-thirds of all the inhabitants. Unless these industries function and prosper, the 18 States in which they are situated must rest commercially stagnant, their business inert and their progress definitely halted.

The whole southern territory is now in the throes of an economic disaster of unparalleled intensity. It has been in this condition for many months. Agriculture, the great basic industry, lies prostrate. The acres are among the most fertile on the earth, but the owners of them are besought by bankers and by merchants, by statesmen and by economists, to let lie fallow the lands that for a hundred years have clothed the world. With unanimity they are advised against the vast production of which they are capable. The wealth that can be created must not be created because there is an economic status which impoverishes a whole people as a penalty for thrift in the fields. Nor in the vast production of edibles is the situation different, since a flood of foreign and competing goods is pouring into the ports, destroying markets and depriving agriculture of any possible profit. Equally stricken are the stock and wool industries, so vital to the sustenance of the Nation.

Not less alarming is the status of the manufacturing industry. The great textile establishments are either closed or are working on part time. The glass industry is not functioning. The dye industry, an essential element in the national defense, is threatened with paralysis. It would be difficult to decide which branch of manufacturing is in the worse condition.

The mineral industry is to all intents and purposes entirely inoperative. During the war the necessities of the conflict revealed hidden sources of essential minerals in southern territory the development of which promised not only a substantial increase in the national wealth but sure elements of defense in the event of war, going far to determine the complete self-sustenance of the Nation. These industries are on the verge of extinction.

We can not wholly acquiesce in the conclusion that these alarming and ruinous conditions are wholly the result of natural laws against which it would be folly to contend and to prevent the operation of which would be futile. On the contrary, we are convinced—and are prepared to prove—that the economic disaster is the consequence of forces the hardness of whose compact can and ought to be softened by the intervention of the Government, impartially made operative. Not only are we convinced that these forces have facilitated domestic trade paralysis but it is our firm belief that unless they are controlled immediately conditions, if possible, will become progressively disastrous, with widespread bankruptcy, unemployment, and civic restlessness. A flood of cheap imports is wrecking the markets.

We favor, therefore, the immediate enactment of such tariff schedules as will equalize the cost of production in this country with that of foreign countries, and that will take up the differentials, now favorable to foreigners, in exchange and transportation costs, so far as may be consistent with the public welfare; such schedules to be so placed as to distribute fairly the burdens and benefits among all industries, without discriminating against any section, class, or product, to the end that there may be maintained American standards of living in every line of effort.

We respectfully call the attention of your committee to the fact that there is an economic emergency comparable in its immediacy and potential destructiveness to any military exigency with which the Nation has been confronted. The World War has no more violently disturbed the geographical status of the world than it has changed the economic map. The wealth of centuries has been swept away in great sections of the earth. This has resulted in a credit famine which necessarily expresses itself in lower standards of living and reduces costs of production abroad. A decade ago there was hope that an equalization of production costs might be anticipated by higher standards of living in other nations, but the Great War has postponed that expectation, and relief can be effected now only by the imposition of tariffs sufficiently high to afford real equalization.

The competition of pauper production in its several degrees impoverishes those who attempt to meet it, and all alike, in such circumstances, are joined in promiscuous ruin. This situation is aggravated and intensified by a breakdown in exchange. In several of the countries which are flooding or are threatening to flood this country with their cheap goods, the purchasing power of their unit coin at home is three or four times as much as the cost of the same unit in international exchange. The effect is to give each of these countries a prohibitive protection against American products, while it serves as an actual bonus on exportations to America.

The South comes into competition agriculturally with the cheapest labor on earth. Her products are the products likewise of the Orient and semitropical nations, where living conditions are such that labor is the cheapest of all things. The South has been paying and would like to continue to pay an American wage to those who toil in the fields, as well as those who labor in the factories and mines, but it can not pay five or ten times the wage that is paid by foreign competitors and economically survive.

Each of the industries signing this memorandum is submitting to your committee severally and independently a specific statement of its condition, together with statistical tables which reveal the actual difference in cost of production in this country and in foreign countries. Those figures are based on actual market quotations and on other information which it has been possible to collect. The emergency has developed so rapidly that the investigating agencies of the Government, such as the United States Tariff Commission, have been

unable to secure reliable statistics up to this time, nor is the Tariff Commission in a position, we are informed, to make an investigation within such time as is available. We respectfully suggest to your committee, however, that the figures which each of the affiliated industries is submitting is subject to substantiation either by witnesses which each particular industry can provide or by additional information now being procured. The schedules suggested represent in every case the minimum levies which practical men in the industries involved feel will permit them to do business on an equality with foreign producers, but with no advantage over them.

We regret that we can not visualize for your committee the widespread devastation which has been spread over the South by the flood of imports. No words can paint the picture. The breakdown in the cottonseed market alone is known to have taken more than 25,000 children away from country schools. Additional thousands have been compelled to withdraw from other institutions of learning. Banks find their commodity collateral no longer sufficient to guarantee loans made. Scores of financial institutions, chiefly serving rural communities, have been forced to suspend operations. Thousands of farms have been abandoned. Others are so mortgaged that it will be years before they are released. Innumerable mines are shut down and tens of thousands of men are out of employment. Factories that thrilled with life a year ago are deserted, or nearly so. Thousands of cattle, essential to the national life, have been hurried to the slaughter houses or are being trekked into foreign territory. It is as if an epidemic, contagious and infectious, paralyzing all enterprise, initiative, and progress, had swept over the land.

In these circumstances we urge upon your committee the necessity of immediate relief. The disaster is progressive. It will not do to stay it months hence. With all the emphasis of which we are capable, we urge that relief be given now, at once. Our people are convinced that it is within your power, by the imposition of equalizing tariffs, at once to control the catastrophe and restore economic virility. The unemployment is promoting social unrest. Even brave men fear to go ahead, for they are ignorant of the conditions under which they must do business. They can not contract with assurance.

They can not arrange for production while there still hovers over them the actuality or the probability that foreigners will meet them at their doors with similar goods at prices far below the domestic cost of production, omitting all thought of profit. There are establishments in which the fires are kept burning at heavy loss each day in the hope and expectation that speedily and without delay the Government will interpose its mighty arm in defense of its industrial establishment and levy the customs imports which alone can revive activity. We respectfully urge upon you, therefore, in this grave emergency that the customary processes of legislation be reverted and that by joint resolution or otherwise the Congress make immediately operative such tariff schedules as your committee may recommend as desirable, subject to modification upward or downward, as subsequent full investigation may show to be wise. We urge that you act first and investigate afterwards. The essential information is already available; the minutiæ of detail can later be assembled.

In full appreciation of actual conditions, we pledge you that we can and will set the wheels of industry in the South to moving almost immediately following the granting by you of the relief we seek. Among our members are those who intend to become active at once. They are leaders in their respective industries. One man alone, who has been forced by economic necessity to send thousands of cattle to his Mexico ranches, is prepared on the enactment of suitable legislation to invest not less than $500,000 promptly in the purchase of cattle. Others are prepared to open their closed glass factories, their shutdown mines, their silent factories of all kinds. Agricultural leaders also have yet time to prepare their fields for the harvests of this year. We pledge the committee that the turn of the industrial tide back toward normal will begin the revival of which the imposition of the suggested schedules will assuredly induce.

We further put on record our intention to organize the entire South around an American tariff policy to equalize cost of production and maintain American standards of living on economic grounds, irrespective of party. Our efforts will be educational along these lines; but the surest proof of the wisdom and enduring soundness of the policy we advocate will be found, we are confident, in the immediate and lasting effects the operation of that policy will produce. The South asks only for equal treatment. Given that she does not fear competition.

Respectfully submitted.

SOUTHERN TARIFF ASSOCIATION,
JOHN KIRBY, *President.*

Texas Farmers' League, N. A. Shaw, president; Crude Cottonseed Oil Tariff Committee, Henry E. Watkins, chairman; American Egyptian Cotton Growers' Association; Florida Citrus Exchange, C. E. Stewart, business manager; American Honey Producers' League, E. G. Le Stourgen, president; West Virginia Beekeepers' Association, T. K. Massie, president; Panhandle Beekeepers' Association, Will C. Griffith, president; Colorado Honey Producers' Association, Frank Rauchfuss, manager; United Peanut Association of America, P. D. Bain, president; National Peanut Cleaners and Shellers' Association, Frank B. Bain, president.

Florida Potato Growers' Association, R. M. Burke, secretary-treasurer; Potato Flour and Starch Tariff Committee, W. P. Hartman, chairman; Rice Millers' Association, Frank A. Godchaux, president; Southern Rice Growers' Association, W. B. Dunlap, president; Louisiana Sugar and Rice Exchange, John G. Sheehan, secretary; American Cane Growers' Association, Henry N. Pharr, president; Georgia and Florida Tobacco Growers' Association, M. L. Floyd, president; National Mohair Growers' Association, R. E. Taylor, president; National Wool Growers' Association, F. J. Hagenbarth, president; Sheep and Goat Raisers' Association of Texas, R. H. Martin, president; Texas Wool and Mohair Association, Charles H. Hobbs; New Mexico Wool Growers' Association, Praeger Miller, president; Arizona Wool Growers' Association, Hugh E. Campbell, president; American National Livestock Association, Ike T. Pryor, president; Texas and Southwestern Cattle Raisers' Association, W. W. Turney, president; New Mexico Cattle and Horse Growers' Association, G. E. Mitchell, president.

Arizona Cattle Growers' Association, Charles P. Mullen, president; Southern Cattlemen's Association, E. E. Lloyd, secretary; National Dairy Products Association, J. J. Farrell, secretary; Missouri Creamery Men's Improvement Association, L. M. Moore, secretary; Texas Onion Growers' Tariff Committee; Southwestern Millers' League, L. E. Moses, president; Texas Flour Milling Association, Frank Kell, chairman; Wholesale Saddlery Association of America, Owen Gathright, chairman; Southern Fertilizer Association, J. Russell Porter, president; Fertilizer Mixers' Association of Georgia, T. J. Reeves, president; Fish Oil Tariff Committee, Charles M. Struvan, chairman; National Window Glass Manufacturers' Association, W. S. Phillips, president; National Window Glass Workers, J. N. Neenan, president; Tennessee Manufacturers' Association, J. E. Edgarton, president; Georgia Manufacturers' Association, W. D. Baker, president; Alabama Manufacturers' Association, L. Sevier, president; West Texas Chamber of Commerce, C. A. Jones, president.

Alabama Graphite Producers' Association, George A. Sharpe, president; Allied Asbestos Industries, C. J. Stover, secretary; Barium Producers and Manufacturers of the United States, Maximilian Toch, president; Portland Cement Association Tariff Committee, B. T. Scott, chairman; Association of American Clay Producers, M. A. Edgar, vice president; Barytes Tariff Committee, W. S. Peebles, Cartersville, Ga.; Bauxite Tariff Committee, W. Rust Oppenheim, chairman; Felspar Tariff Committee, Charles Ingram, chairman; Ferro Alloys Tariff Committee, Paul John Kruesi, chairman; Crude Gypsum Tariff Committee, Frank W. Wilder and E. G. West; National Association of Marble Dealers, J. S. Sewell, president; Sulphur and Pyrites Tariff Committee; Tennessee Marble Exchange, W. E. Moses, secretary; Mica Producers and Manufacturers' Tariff Committee; United States

Potash Producers' Association, F. W. Brown, executive secretary; Arkansas Manganese Association, Walter H. Denison, president; Talc and Soapstone Producers' Association Tariff Committee, W. C. Boswell, chairman; Zinc Ore Producers' Tariff Committee, Paul Ewert president; Turpentine and Rosin Producers' Association, C. P. Spell, secretary; Georgia-Florida Saw Mill Association, E. C. Herrell, secretary; American Hardwood Manufacturers' Association, John M. Pritchard, secretary-manager; American Poultry Association.

TARIFF SCHEDULES FOR THE PRODUCTS OF 57 SOUTHERN INDUSTRIES, AS INDORSED BY THE SOUTHERN TARIFF ASSOCIATION IN CONVENTION ASSEMBLED AT THE NATIONAL HOTEL, WASHINGTON, D. C., APRIL 18–19, 1921.

AGRICULTURAL SCHEDULES.

Vegetable oils.—Coconut oil, 5 cents per pound; copra (coconut meats), 3 cents per pound; olive oil (edible), 5 cents per pound; olive oil (nonedible), 4 cents per pound; cottonseed oil (crude), 5 cents per pound; cottonseed oil (refined), 6 cents per pound; palm oil, 5 cents per pound; palm-kernel oil, 5 cents per pound; palm kernels, palm nuts, and palm fruits, 3 cents per pound; soya-bean oil (crude), 5 cents per pound; soya bean, 3 cents per pound; Chinese nut oil, 5 cents per pound; sesame seeds, 3 cents per pound; and sesame oil, 5 cents per pound.

Peanuts.—Four cents per pound on both shelled and unshelled peanuts; 5 cents per pound on crude peanut oil; 6 cents per pound on refined peanut oil; and 5 cents per pound on peanut butter, peanut confections, salted peanuts, and other products made from peanuts not otherwise enumerated.

Cattle, hides, fresh and frozen meats.—Four cents per pound on dressed or frozen meats; 15 cents per pound on hides; and 30 per cent ad valorem on cattle of all ages and class.

Sheep, wool, and mohair.—Such schedules as proposed by the National Wool Growers' Association, the National Mohair Growers' Association, the Sheep and Goat Raisers' Association of Texas., the New Mexico Wool Growers' Association, and the Arizona Wool Growers' Association before the Ways and Means Committee.

Eggs and poultry.—Eggs and poultry (including eggs of domestic land and water fowls) bear a duty of 12 cents per dozen. Frozen or liquid eggs, frozen or liquid egg albumen, frozen or liquid egg yolk, or otherwise prepared or preserved in tins or other packages not specifically provided for in this section, including the weight of the immediate covering or containers, 12 cents per pound. Eggs, dried, yolk or eggs dried, egg albumen dried, including all dried egg products in tins or other packages, 36 cents per pound. Poultry, live, 4 cents per pound; dead or prepared in any manner, including the weight of the immediate coverings, 7 cents per pound.

Wheat and flour.—The import duty on wheat and its products shall be fixed on ratio of 5 to 1, that is, the duty on a barrel of flour shall be five times the duty on a bushel of wheat.

Sugar, sirup, and molasses.—Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, 1.71 cents per pound, and for every additional degree shown by the polariscope, 0.781 cent per pound additional, and fractions of a degree in proportion.

Molasses and sirups testing not above 48 per cent total sugars, 1.95 cents per gallon; and those testing above 48 per cent total sugars, 0.275 cent per gallon additional for each per cent of total sugars.

Sugar drainings and sugar sweepings shall be subject to duty as molasses or sugar, as the case may be, according to polariscopic test.

Rice.—Cleaned completely, milled rice, 2 cents per pound; uncleaned or cargo brown rice 1¾ rice flour mill and brewer's rice, 1 cent; rough rice three-quarters of a cent.

Potatoes.—Twenty-five cents per bushel of 60 pounds.

Potato flour and starch.—Three cents per pound on imports of potato flour and potato starch.

Wrapper tobacco.—Wrapper tobacco and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco, and all leaf tobacco the product of two or more countries or dependencies, when mixed or packed together, if unstemmed, $2.85 per pound; if stemmed, $3 per pound; filler tobacco not specifically provided for in this section, if unstemmed, 35 cents per pound; if stemmed, 50 cents per pound.

The term "wrapper tobacco" as used in this section means that quality of leaf tobacco which has the requisite color, texture, and burn, and is of sufficient size for cigar wrappers, and the term "filler tobacco" means all other leaf tobacco.

Dairy products.—Butter and substitutes therefor, 6 cents per pound; cheese and substitutes therefor, 23 per cent ad valorem; milk, fresh, 2 cents per gallon; cream, 5 cents per gallon; milk, preserved or condensed or sterilized by heating or other processes, including weight of immediate coverings, 2 cents per pound; sugar of milk, 5 cents per pound.

Honey.—Five cents per pound.

Beeswax.—Ten cents per pound.

Onions.—Forty cents per bushel of 57 pounds.

Cotton.—Cotton having a staple of 1⅜ inches or more in length, 20 cents per pound.

Citrus fruits.—Such schedules as proposed by the Florida Citrus Exchange and indorsed by the banking, agricultural, and commercial interests of Florida.

Turpentine and rosin.—Spirits of turpentine, 25 per cent ad valorem; rosin, 25 per cent ad valorem; camphor, 25 per cent ad valorem.

MINERAL SCHEDULES.

Asbestos.—Asbestos paper and millboard and articles manufactured therefrom, not otherwise specially provided for in this section, 5 cents per pound; asbestos paper and millboard manufactured from long-fiber asbestos for gaskets, etc., electrical papers not exceeding five one-thousandths of an inch in thickness, or article manufactured therefrom, 10 cents per pound.

Articles composed of asbestos and hydraulic cement in sheets or plates not exceeding one-eighth of an inch in thickness, 1½ cents per square foot; more than one-eighth of an inch but not exceeding one-fourth of an inch in thickness, 2½ cents per square foot; more than one-fourth but not exceeding one-half of an inch in thickness, 5 cents per square foot.

Sheets that are corrugated or otherwise differing from flat sheets, 6 cents per square foot or fraction thereof; colored sheets containing an admixture matter other than asbestos and hydraulic cement, 50 per cent ad valorem in addition to the above rates.

Asbestos wick and rope or articles manufactured therefrom, 35 cents per pound.

Asbestos woven-sheet packing, in rolls, exceeding one thirty-second and not exceeding one-eighth of an inch in thickness, or articles manufactured therefrom, 50 cents per pound.

Asbestos gaskets, folded or cut from the straight sheet, rubberized, graphited, or otherwise treated with waterproofing or lubricating compound or compounds, or articles manufactured therefrom, 65 cents per pound.

Asbestos yarn containing more than 10 per cent of foreign matter other than asbestos, or articles manufactured therefrom, 50 cent per pound; asbestos yarns and listings exceeding twenty-five one-thousandths of an inch in thickness, containing less than 10 per cent of foreign matter, and cloths, tapes, cords, or other articles manufactured therefrom, $1.75 per pound; not exceeding twenty-five one-thousandths of an inch in thickness, $2.50 per pound.

Asbestos mantle threads, with or without wire, treated or untreated, $2.50 per pound.

Asbestos textile fabrics, containing 10 per cent and not more than 20 per cent of foreign matter other than asbestos, 75 cents per pound; containing more than 20 per cent of foreign matter, other than asbestos, 50 cents per pound.

All other manufactures of asbestos, and articles or manufactures of which asbestos is the component material of chief value, not specially provided for in this section, 40 per cent ad valorem.

Barium.—Such schedules as recommended by the barium producers and manufacturers of the United States.

Barytes.—One-half cent per pound on crude barytes.

Bauxite.—Two dollars per ton.

Cement.—Roman, Portland, and other hydraulic cement in barrels, sacks, or other packages, 8 cents per hundred pounds, including weight of barrel or package; in bulk, 7 cents per hundred pounds; on cement not otherwise specially provided for in this section, 20 per cent ad valorem.

Clay or kaolin.—Six dollars per long ton.

Feldspar.—Five dollars per long ton on crude feldspar and $6 per short ton on pulverized feldspar.

Ferrosilicon.—All silicon in iron containing 6 per cent silicon or over, whether or not designated as ferrosilicon; 3 cents per pound on silicon content.

Gypsum.—One dollar per ton on crude gypsum.

Graphite.—Crude graphite ores, crystalline or amorphous, 1 cent per pound of ore for ores containing 50 per cent or under of graphitic carbon; 2 cents per pound of ore for ores containing over 50 per cent of graphitic carbon.

Lump and chip crystalline graphite, 3 cents per pound of graphite of a size which will not pass through a screen with openings ¼-inch square.

Flake crystalline graphite, 6 cents per pound of graphite of a size which will pass through a screen with openings ¼-inch square.

All other products, manufactured materials, and compounds containing graphite, 5 cents per pound for the graphite therein, in addition to any duties assessed and collected under the existing law.

Marble.—Marble, breccia, and onyx in the block or in the form of sawed slabs, tiles, and mosaic cubes, the schedules provided in the tariff bill of 1909.

Manufactured articles of the above materials with the sole exception of sculptures, which are the individual production of professional sculptors, 75 per cent ad valorem.

The marble-producing interests concur in the request of the limestone interests that limestone be classed for tariff purposes with marble.

Monozite.—Eight cents per pound on monozite sand; $3 per pound on thorium salts and scrap mantles.

Manganese.—Manganese ore and manganiferous ores and concentrates thereof containing 15 per cent or more of manganese, the sum of 1½ cents per pound of metallic manganese therein contained shall be paid upon all such ores and concentrates thereof so imported.

Ferromanganese and spiegeleisen (spiegle) and all alloys or compounds containing manganese and other manufactured articles and materials containing manganese not especially provided for herein, 4½ cents per pound of manganese therein contained shall be paid upon all such manganese alloys so imported.

Mica.—Unmanufactured or rough trimmed only and mica splittings, 25 cents per pound and 50 per cent ad valorem.

Cut, stamped, or trimmed, built-up mica, and all manufactures of mica or of which mica is the component material of chief value, 50 cents per pound and 50 per cent ad valorem.

Phonograph diaphragms, 10 cents each and 50 per cent ad valorem.

Refuse, fit for grinding purposes only, 1 cent per pound; ground flakes and dust, 4 cents per pound.

Potash.—Fifty cents per unit K^{2O}.

Pyrites.—Ten cents per unit of sulphur content.

Quicksilver.—Fifty cents per pound.

Salt.—Salt in bags, sacks, barrels, or other packages, 11 cents per 100 pounds; in bulk, 7 cents per 100 pounds.

Talc, steatite, and soapstone, and French chalk.—The duties desired and recommended on the above by the Southern Tariff Association are those given in H. R. 9663, introduced by Hon. Joseph W. Fordney September 5, 1919.

Talc steatite and soapstone and French chalk, crude and unground, one-half cent per pound.

Talc steatite soapstone and French chalk, ground, washed, powdered, or pulverized, 1 cent per pound.

Talc steatite soapstone and French chalk, cut or sawed or in the form of blanks, crayons, or cubes, 2 cents per pound.

Manufactures of talc, talcum, steatite, soapstone, and French chalk, wholly or partly manufactured, if not decorated, 50 per cent ad valorem; if decorated, 50 per cent ad valorem.

For specific information and details see statement made by Michael Doyle, president International Pulp Co., representing also the Talc and Soapstone Producers' Association of the United States of 30 members, and W. C. Boswell, of Harford Talc Co., Baltimore, Md., schedule A, paragraph 69, pages 360 to 365, inclusive; also statement filed with the Committee on Ways and Means by Freland Jewett, president Eastern Talc Co., on March 29, 1921, and the supplemental statement filed by Michael Doyle on February 24, 1921.

Zinc.—Upon all zinc-bearing ores containing more than 10 per cent and less than 25 per cent of metallic zinc there shall be levied, collected, and paid 1½ cents per pound on the metallic zinc contained therein; upon all zinc-bearing ores and zinc drosses containing more than 25 per cent of metallic zinc there shall be levied, collected, and paid on the metallic zinc contained therein 2 cents per pound.

No duty shall be levied, collected, or paid on the metallic contents of zinc ores containing less than 10 per cent of metallic zinc.

There shall be levied, collected, and paid on zinc in blocks, pigs, or slabs and old and worn-out zinc fit only to be remanufactured, 2¾ cents per pound.

Zinc, oxide of, and white pigment containing zinc, but not containing lead, dry, 2¾ cents per pound.

There shall be levied, collected, and paid on zinc in sheets, plates, strips, coils, or plated with nickel or other metals, or any of these rolled zinc products in fabricated form and zinc dust, 3¾ cents per pound.

SCHEDULE OF MANUFACTURES.

Glass.—Unpolished, cylinder, crown, and common window glass, weighing not exceeding 26 ounces per square foot, not exceeding 384 square inches, valued at not over 1¾ cents per pound, 1⅞ cents per pound; valued over 1¾ cents and not over 2¾ cents per pound, 2¼ cents per pound; valued at over 2¾ cents per pound 3¼ cents per pound; above 384 square inches, not exceeding 720 square inches, valued at not over 2⅛ cents per pound, 2¼ cents per pound; valued over 2⅛ cents and not over 3¼ cents per pound, 2⅞ cents per pound; valued over 3¼ cents per pound, 3½ cents per pound; above 720 square inches, not exceeding 1,200 square inches, valued at not over 2⅛ cents per pound, 2¾ cents per pound; valued over 2⅛ cents per pound, 3⅜ cents per pound; above 1,200 square inches, 4¼ cents per pound.

For unpolished, cylinder, crown, and common window glass weighing over 26 ounces per square foot, the rates of duty shall be double the rates specified for such glass weighing not exceeding 26 ounces per square foot: *Provided*, That unpolished, cylinder, crown, and common window glass imported in boxes shall contain 50 square feet as nearly as sizes will permit and the duty shall be computed thereon according to the actual weight of the glass. In determining the value of the glass for duty purposes, whenever a separate charge is made for the boxes the price of the boxes shall be added to the value of the glass.

Saddles and harness.—Thirty-five per cent ad valorem duty on all imports of saddlery and harness.

We further indorse the schedules requested for the various products of the following industries as shown by briefs recently filed with your committee by representatives of the following industries: Cotton manufactures, chemical dyes, burlap, penholders, haircloth, pencil leads, epsom salts, macaroni, fertilizer fish oil, machine shop products, wood pulp.

Mr. LONGWORTH. Will you be kind enough to read your declaration of principles with reference to the tariff?

Mr. THURMOND (reading):

We favor, therefore, the immediate enactment of such tariff schedules as will equalize the cost of production in this country with that of foreign countries, and that will make up the differentials, now favorable to foreigners, in exchange and transportation costs, so far as may be consistent with the public welfare, such schedules to be so placed as to distribute fairly the burdens and benefits among all industries, without discriminating against any section, class, or product, to the end that there may be maintained American standards of living in every line of effort——

Mr. LONGWORTH (interposing). That is far enough. I want to ask you how we are to interpret that phrase with regard to transportation? Does that mean the freight rate for an industry unfavorably located to the most favorable market?

Mr. THURMOND. I think the phrase contemplates that where a foreign country is now receiving by reason of lower freight rates a beneficial market here or rather a preference over American production by reason of the higher American freight rates, that that freight rate shall be taken into consideration in determining the rate of tariff to be levied.

Mr. LONGWORTH. But you do not advocate the imposition of a duty high enough to pay the freight transportation for an industry unfavorably located with regard to other American industries?

Mr. THURMOND. No, sir; I think not, because that is a matter that the Lord helped them out with and we can not control that.

Mr. LONGWORTH. That is just what I thought.

Mr. COLLIER. You would not advocate a rate high enough to place a coal manufacturer of the far West or Northwest who asked for a tariff rate in a position to compete with Canadian coal that was shipped from the middle or eastern portion of Canada, where the haul would be very short, for instance, to New York.

Mr. THURMOND. No, sir; I think the question is whether or not the rate is clearly unfair. For instance, it is a fact that the Australian wool producer can lay his wool in Boston cheaper than the northwestern producer of this country.

Mr. COLLIER. Exactly.

Mr. THURMOND. Now, that is the rate we refer to and the kind of rate we feel should enter into the calculation of the levy.

Mr. COLLIER. Mr. Thurmond, I imagine you are informed on this question. What is the difference in the rate from southwestern Texas and Arizona on wool to Boston and the rates from Australia and the Argentine to Boston?

Mr. THURMOND. I am sorry to tell you I am not informed but you will find that question thoroughly treated in the brief under Schedule K, and I can refer you to the brief of the National Wool Growers which gives the difference in the rate.

Mr. COLLIER. Is that a brief which you are filing to-day?

Mr. THURMOND. No, sir; it is printed in your hearings. We refer to those briefs for our position upon the rate that we seek upon wool, especially.

Mr. COLLIER. Were those briefs filed before we had this increased rate?

Mr. THURMOND. It is based on the present rates.

Mr. COLLIER. Because those hearings were held some time ago.

Mr. THURMOND. Yes.

The CHAIRMAN. Will the gentleman permit me to ask him a question to see whether I understand him. I will state that prior to the last raise in freight rates——

Mr. THURMOND (interposing). The 33⅓ per cent raise.

The CHAIRMAN (continuing). Vegetable oils imported from the Orient and coming into a Pacific coast port like San Francisco or any other Pacific coast port, east to Chicago or Cincinnati or Indianapolis where the greater portion of those oils were used in the manufacture of soap, oleomargarine, etc., enjoyed a rate of freight from San Francisco east of 22½ per cent below the rate charged on domestic oils.

Mr. THURMOND. Yes, sir.

The CHAIRMAN. A carload of wool of 10 tons or 20,000 pounds, a minimum car, the rate has been increased, I think 25 per cent since then, but it applies to both the foreign and domestic rates alike; but at that time a carload of Australian wool or any foreign wool coming into a Pacific coast port and going east to Boston had a rate of $500 plus 3 per cent or $15 Government tax. If that were domestic wool, that car would pay $1,019.70 freight from San Francisco to Boston.

Mr. THURMOND. Or practically double.

The CHAIRMAN. Yes; or practically double. Now, your purpose is to take care of that discriminating rate in favor of the imported article; is that right?

Mr. THURMOND. Yes, sir; and that that should be figured in determining the rate of protection that those industries should have against these competing countries.

The CHAIRMAN. That is what I wanted to know. Now, what is true of vegetable oils and wool, in a measure, is true of nearly every article of import.

Mr. THURMOND. Yes, sir.

The CHAIRMAN. And they are the discriminating rates that exist right now.

Mr. THURMOND. Yes.

Mr. OLDFIELD. Mr. Thurmond, do you think that the remedy is a protective tariff on those products?

Mr. THURMOND. I absolutely think so, Mr. Oldfield, at present.

Mr. OLDFIELD. Mr. Thurmond, are the prices of farm products still falling or are they increasing?

Mr. THURMOND. There is absolutely no sale for them at all.

Mr. OLDFIELD. I am quite sure that you would know what you are talking about.

Mr. THURMOND. You are speaking now of farm products.

Mr. OLDFIELD. Yes. There is no sale for them now?

Mr. THURMOND. Practically none; no, sir.

Mr. OLDFIELD. Do you think the importations are the cause of that?

Mr. THURMOND. I think that general stagnation is the cause of it, but I feel this way about it: I know you are referring now to foreign markets for our products. I will say that we ought to take care of American markets and American producers, first, and then we will have time to look out for our foreign trade. [Applause.]

Mr. OLDFIELD. The most recent report from the Department of Commerce, issued just a day or two ago, shows conclusively that all these importations on wheat, and pretty nearly every one you can locate in the documents, are decreasing very rapidly, and also that our exports are decreasing but not so much usually as the imports. For example, take wheat; there was very much less imported in February than there was in the previous month. It seems to me, Mr. Thurmond, that our real trouble now is that we can not find a market for our surplus products, and I do not see why people want to import those products here now when we can not sell what we have.

Mr. THURMOND. Because we give them a market; because they can bring them in here and get American money for them.

Mr. OLDFIELD. But you say you can not sell what you have got yourselves because you have not any market. You can not get any Amer-

ican money for your products—at least the farmers in my section do not seem to be able to find any market for them.

Mr. THURMOND. No, sir; but there is certainly going to come a time when they will expect to sell some of these great stores that they are hoarding up in this country; and so long as you let them dump in upon this country these cheaply produced products that we must come in competition with, just that long will you keep the yoke on the American producer. If we can stabilize the market—if we can get a stable market, so that men will know that the bottom has been reached—then, in my judgment, commerce will open up again and the wheels of commerce will begin to turn and we will do something.

Mr. OLDFIELD. Now, Mr. Thurmond, just one other question. You say that this memorial is signed by the Southern Tariff Association?

Mr. THURMOND. Yes, sir.

Mr. OLDFIELD. Now, that is synonymous, and would mean the same thing if you said the Southern Protective Tariff Association, would it not?

Mr. KIRBY. Not necessarily, if you will allow me to answer that.

Mr. OLDFIELD. It is a protective tariff association, is it not, Mr. Kirby?

Mr. KIRBY. No; it is a tariff association.

Mr. OLDFIELD. You gentlemen who are appearing here are protectionists, are you not?

Mr. KIRBY. A great many of them are, and I rather think I am. I did not use to be, but I think I am now.

Mr. OLDFIELD. Are you a protectionist, Mr. Thurmond?

Mr. THURMOND. Yes, sir; I am a protectionist.

Mr. OLDFIELD. Did you support Mr. Harding last year?

Mr. THURMOND. I did support Mr. Harding last year. I voted for him—the first time I ever voted the Republican ticket in my life, but not the last. [Laughter and applause.]

The CHAIRMAN. Let me correct the gentleman from Arkansas. The gentleman from Arkansas states that imports are falling off.

Mr OLDFIELD. They are.

The CHAIRMAN. He is in error about that. In 1919 we imported only 5,000,0000 bushels of wheat and in the last eight months, ending in February, we imported 40,000,000 bushels in round numbers.

Mr. OLDFIELD. But in February we imported less than we did in January.

Mr. THURMOND. Because of the emergency tariff bill, perhaps.

The CHAIRMAN. That might be because water shipments on the Great Lakes have closed and what has been coming in since that time has come in by rail. On the other hand, wool importations are increasing; and, by the way, a gentleman called on me the other day, representing an Australian wool dealer, and stated that there were 100,000,000 pounds of wool on the high seas now on its way to the American market.

Mr. THURMOND. Yes, sir.

The CHAIRMAN. One hundred million pounds represents one-fifth of our total annual consumption, and, therefore, the gentleman is in error when he says that such imports are falling off. If he will examine the records he will find right now that for the last 10 months our imports will average more than $300,000,000 a month or in the neighborhood of $4,000,000,000 last year.

Mr. COLLIER. Mr. Thurmond, you stated just now and your statement was greatly applauded, that we ought to look after our market first, and then look after the foreign market. I think every American, who loves his country, feels that our first consideration, of course, should be America first, last, and all the time, but I would like to ask you this question: We raise between 40 and 45 per cent more cotton than we can consume at home?

Mr. THURMOND. Yes, sir.

Mr. COLLIER. And we raise a great deal more wheat and flour than we can consume at home. Now, if we destroy our foreign market, what are we going to do with our surplus, and what effect will that have on these same farmers you are talking about to-day?

Mr. THURMOND. I do not think it will have the effect you say in that it will destroy the foreign market at all. I think those people are going to come and buy your cotton, if they need it in their business and they can get the money to buy it with. They will bring their goods here to sell to you, of course, and when they have sold their goods they will buy your cotton. I am not asking that we put on a tariff that will absolutely exclude all foreign importations. We are not asking that. We are simply asking for such a tariff levy as will equalize the cost of production in this country with the cost of production in the foreign countries, and they can not object to that.

Mr. COLLIER. You are not in favor of any prohibitive tax?

Mr. THURMOND. No, sir.

The CHAIRMAN. I do not know of any other man who is.

Mr. OLDFIELD. I will say that you put a prohibitive tariff on wheat in the bill that passed the other day.

The CHAIRMAN. Oh, no. The gentlemen present are listening to these statements, and I want that to be corrected. We had in the Payne tariff law a duty of 25 cents a bushel on wheat, which was not prohibitive, and wheat kept right on coming into this country; but 25 cents a bushel then, when wheat was selling for 70 cents, in round numbers, was 35 per cent ad valorem.

Mr. THURMOND. Yes, sir.

The CHAIRMAN. In the emergency bill that we passed the other day there is a rate of 35 cents a bushel, but what is selling for $2, and therefore that is only 17½ per cent ad valorem, or just about one-half the ad valorem rate provided for in the Payne law, and that was not prohibitive.

Mr. OLDFIELD. But wheat is not selling at $2 now.

The CHAIRMAN. It was a few days ago. I do not know what it is selling for to-day, but I do know this: That it is coming in from Canada in such great volume that it is quite likely to make our wheat sell below $1 and in a very short time, if we do not stop it.

Mr. OLDFIELD. And I will say that Mr. McCoy, our expert actuary in the Treasury Department, says that 35 cents a bushel on wheat is prohibitive.

The CHAIRMAN. Pardon me for interrupting you, Mr. Thurmond, but I wanted to get that straight.

Mr. YOUNG. Mr. Thurmond, in respect to the matter of the surplus that has been accumulating here in the United States and threatens to become still larger that the gentlemen have been talking about, it is true that you can reduce your acreage and in part meet that problem, if you do not have to deal with the whole world. In other words,

if you are simply going to deal in the United States market with your commodities, you can guard against the destruction of your prices by reducing ratively all over the country the amount grown.

Mr. THURMOND. Yes, sir; by diversification and reduction of acreage in which there is an oversupply.

Mr. YOUNG. By intelligent selection of crops and through the amount raised, etc.

Mr. THURMOND. Yes, sir. I have been asked a political question or two. We had hoped to present this matter from a nonpolitical standpoint, but I come from the biggest Democratic State in this country, and I want to say for the benefit of the gentlemen on the Democratic side that that State, in my humble judgment, will be a doubtful State if the course being pursued by the Democracy, as represented now at Washington, is continued. I want to say to you gentlemen upon the Republican side that the best Republican propaganda that you can put out is a bill that properly protects the southern industries, the industries that our people are engaged in. We do not want anything but what is fair, but we do want to be protected against the ruin that faces us, and, in fact, it is right on us now, but by reason of our products all being upon the free list and by reason of our being brought into competition with the pauper production of foreign countries, and we beg of this committee that you give our memorial your earnest consideration. We believe you will, and we believe as a result finally that there will come out of this Congress a tariff bill that will benefit not only the South, but every section of this great country of ours. [Applause.]

Mr. KIRBY. Mr. Chairman, in respect to the memorial which has been presented, the next to the last name among the industries signed to it is that of the National Lumber Manufacturers' Association. I am president of that association, and some friend of mine has taken the liberty of signing that name to the memorial. That is unauthorized, because I have never had the matter up with the association.

Mr. OLDFIELD. And you want that name stricken off?

Mr. KIRBY. I want that stricken off, not because I think they would have any objection to it, but the association not having acted upon it I do not want to take the liberty of doing that myself.

We had intended, Mr. Chairman, to go a little further with this discussion, but you have been so patient and so courteous that the other speakers have concluded that they will ask for the privilege of filing their papers so that they may become a part of the record of this hearing. I have in my hand here now the papers of three of them. As decided upon in our association, the other speakers were Mr. Troutman, representing the Atlanta Chamber of Commerce; Mr. Parker, of Georgia, representing the cottonseed oil industry; Judge Allen, of Birmingham, Ala., who is chairman of the Alabama division of the tariff association; former Gov. Harris, of North Carolina; and Col. I. T. Pryor, of San Antonio, Tex., who represents in a higher degree than any man in this country or any other country the cattle industry of America, and I would like to have the privilege of filing those five papers with the committee.

The CHAIRMAN. We will be glad to have you do that.

Mr. KIRBY. Now, Mr. Chairman and gentlemen of the committee, without offering any rebuke to my friend, Thurmond, we want to

offer no discourtesy to our Democratic friends. We do not want to be offensive. Our prayer is they will get right. We think you most earnestly for your very great courtesy to us and we have confidence that this bill, when it comes from the hands of this committee, will be wise and thoughtful and just. We thank you.

The CHAIRMAN. Mr. Kirby, let me say——

Mr. OLDFIELD (interposing). Let me say, Mr. Kirby, that you are a great diplomat.

The CHAIRMAN. I want to say, Mr. Kirby, that personally I believe the committee appreciates very much this expression here to-day from the people of the South. We who are from the North, who have believed in protection and advocated it all these years, are sincere in our belief. We believe the North is yet strongly in favor of the principle of protection, and as this expression now comes from the South stronger than ever before it strengthens us in our desire to do all we can for every industry, no matter where it may be located, and we thank you sincerely for what you have said here to-day. [Applause.]

(The committee thereupon adjourned.)

STATEMENT SUBMITTED BY B. M. ALLEN, PRESIDENT ALABAMA DIVISION, SOUTHERN TARIFF ASSOCIATION.

In lieu of a verbal statement to the committee in reference to industries in Alabama which are mentioned in the memorial presented by the Southern Tariff Association, I have been requested by said association to submit my views in writing.

As your committee did not have the opportunity to cross-examine the writer, I beg to state that I am and have always been a Democrat, always voting the straight ticket without reservations. I claim no special credit for this record, as I was born and reared in the South in an exclusively Democratic environment.

Diagnosing as best I may the probable result of the last presidential election, I have come to the conclusion that there will be a revision of the tariff.

I see no reason why a southern Democrat should be barred the privilege of advocating any measure beneficial to his people that are just and fair when this revision takes place. Democratic history does not commit the party at all times to a contrary doctrine.

The Southern Tariff Association proposes to be nonpartisan and proposes to treat tariff legislation from a business rather than a political angle, and in the attempt to put this proposal into effect I see no good reason why it should not have the hearty cooperation of every citizen who has at heart the legitimate development of our country along the lines of industrial activity.

It does not ask for a prohibitive and monopolistic tariff, but for tariff schedules "so placed as to distribute fairly the burdens and benefits among all industries, without discriminating against any section, class, or product, to the end that there may be maintained American standards of living in every line of effort."

The agricultural and stock-raising conditions in my State are not overdrawn by the author of the memorial presented and whatever personal interest I have in the proposed tariff schedules must refer to agricultural products and cattle raising by the southern farmer.

Agriculture is in a critical condition not only in the South, but throughout the entire country and if any legislation can be devised that will assist this class, I am willing to give it my hearty support irrespective of the political party which affords such relief.

In comparatively recent years cotton seed and the by-products therefrom have become more valuable than the crop itself in previous years. But to-day we find

that cottonseed oil is in direct competition with the vegetable oils of oriental countries, a competition unfair to American farmers and American Labor and a competition absolutely destructive of a legitimate industry of our own country.

The same argument aptly applies to the peanut industry of Alabama and the by-products of that industry. It is with pardonable pride that the writer calls to the attention of this committee the fact that without the blare of trumpets, "Federal aid" or other indicia of undue stimulation Alabama wears the crown of premiership in the ancient and honorable business of "raising peanuts."

Virginia and Georgia have been surpassed in production of this popular commodity by my State. What reward awaits the Alabama farmer who has achieved this laudable distinction? He finds himself in competition with the Chinese in the matter of the by-products from his crop, a competition in which even a champion peanut producer can visualize but one result and that too sad for words.

No recent industry in the United States has developed as rapidly as that of stock raising in the Southern States. This is due primarily to the work of the Government in eradicating at great cost the cattle tick that formerly menaced the business of cattle raising throughout the Southern Gulf States. This work was just about being completed in Alabama when the business was suddenly "deflated" and values shrunk 50 per cent in a month.

The recognized advantages for cattle raising in the South are admitted by well-informed specialists and experts in the business, as well as Government experts who have considered the subject.

The free range no longer exists in many parts of the South and West and consequently private pastures will have to afford the means of future beef production in America.

A competition has developed with South American free-range cattle shipped into our market free of duty.

I submit that it can not be shown that the consuming public in the United States gets any benefit through the retailer from this unfair competition between the South American, Argentine, or Patagonian cattlemen and the income tax paying American. Is there any remedy other than the tariff?

The graphite industry of Alabama presents another monument probative of industrial fatality of American labor under American conditions compelled to compete with Ceylonese, Korean, Japanese, and Madagascar labor operating under their respective conditions of nudity of person or modesty of compensation. It can be shown beyond controversy that in the graphite district of Alabama there are millions of tons of ore carrying crystalline flake graphite in workable quantity, the surface of the deposits having been merely scratched, ore deposits of unknown depth and worth millions of dollars that await the vitalizing effect of a reasonable tariff.

All over this district may be seen fully equipped graphite mills, most of them of the most modern type, one representing a cash investment of $1,500,000, equipped with the most modern equipment and machinery and capable of handling about a thousand tons of ore per day. These mills were operating during the late war, when the war measures affecting this industry were in effect, and will operate again if given the proper protection against a competition brought about by labor and industrial conditions to which no civilized Amercan should be subjected.

America is committed to the principle of exclusion of cheap coolie labor. In each of the industries above mentioned under our present tariff regulations products of this labor are admitted in American competition with American industry free of duty. I submit that this is unfair, illogical, and inconsistent. As illustrative of this point, let us consider the conditions along the Mexican border in the great cattle-raising State of Texas. Pasture land on the Mexican side may be rented for 5 cents an acre, while similar land on the American side will cost 25 cents an acre, or five times as much. Labor can be had in Mexico for $7.50 and board per month, whereas the same labor costs in the State of Texas about $40 per month and board, and yet the cattle raiser in Mexico may drive his herd across the Rio Grande and sell them free of duty in competition with cattle raised in America at a cost approximately five times as great.

In view of the fact that there have been or will be filed with you special briefs prepared by well-informed experts in the several industries under discussion, I refrain from presenting details and statistics that are so abundantly available from the above and other sources.

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